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Attorney for Plaintiffs,
STEVEN BENEZRA AND MELISSA YORK

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

STEVEN BENEZRA and MELISSA YORK,
individually,

Plaintiffs,

vs.

ZACKS INVESTMENT RESEARCH, INC.,
ZACKS INVESTMENT MANAGEMENT, INC.,
LEONARD HARVEY ZACKS, BENJAMIN
LAIB ZACKS, and MITCHEL ETHAN ZACKS
inclusive, individually,

Defendants.

Case No. 1:11-cv-00596

JOINT REPORT OF ARBITRATION:

Pursuant to this Court's Order compelling arbitration, the parties submit this Joint Report on Arbitration. The Parties respectfully submit the following:

1. Plaintiffs have filed an appeal to the Fourth Circuit Court of Appeals in this matter which is currently pending under Docket No. 12-1570. Appellants' opening brief was filed August 29, 2012.

2. The parties will continue to comply with this Court's order for periodic status reports and inform the Court of any further material developments.
3. Plaintiffs' Counsel may be coming back to the District Court for clarification on certain issues. Defendants object to any further proceedings in the District Court in this matter pending a ruling by the Fourth Circuit Court of Appeals and the completion of the arbitration of this matter.

Respectfully submitted: September 29, 2012

By: /s/ Paul A. deMontesquiou, paul@waldemlaw.com

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Attorney for Plaintiffs,
STEVEN BENEZRA AND MELISSA YORK

THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

CERTIFICATE OF SERVICE

The undersigned attorney for the Plaintiffs hereby certifies that on this date he served a copy of the foregoing document upon the Defendants herein by serving a copy of same on the Defendants' attorney of record by emailing a copy to:

Beth A. Black
Greenberg Traurig, LLP
77 West Wacker Drive
Suite 3100
Chicago, IL 60601

Additionally, the undersigned attorney for the Plaintiffs hereby certifies that on this date he served a copy of the foregoing document upon the Defendants herein by serving a copy of same on the Defendants' attorney of record by electronic notification within the Electronic Case Filing System of the United States District Court Middle District of North Carolina as follows:

David N. Jonson
Wyrick Robbins Yates & Ponton LLP
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Tobias S. Hampson
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Respectfully submitted, this the 29th day of September, 2012

/S/ Paul A. deMontesquiou, paul@waldemlaw.com

Paul A. deMontesquiou, Attorney for Plaintiffs